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THE Wheat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
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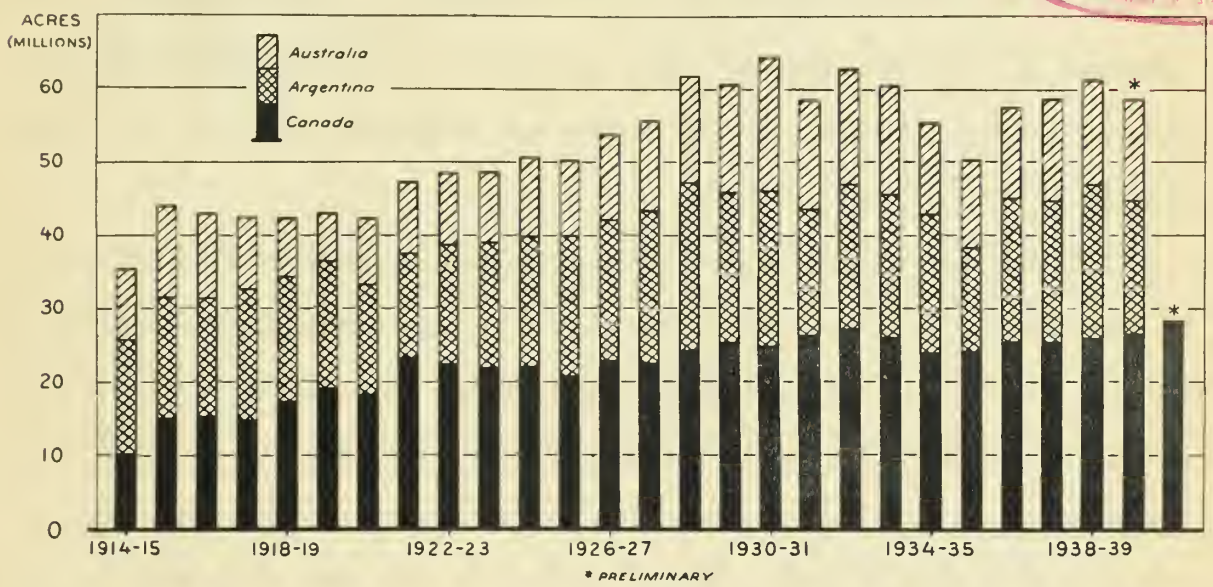
WHEAT ACREAGE IN CANADA, ARGENTINA, AND AUSTRALIA, 1914-40



U S DEPARTMENT OF AGRICULTURE NEG 20118 BUREAU OF AGRICULTURAL ECONOMICS

COMBINED WHEAT ACREAGE IN CANADA, ARGENTINA, AND AUSTRALIA INCREASED UNTIL 1930-31, THEN DECLINED UNTIL 1935-36, AND DURING THE LAST 4 YEARS HAS REMAINED AT LEVELS ONLY SLIGHTLY BELOW THOSE OF THE PEAK YEARS.

THE WHEAT SITUATION

Summary

The domestic wheat supply for the 1940-41 season now seems likely to be about 1 billion bushels, about the same as for the marketing season ending June 30. The condition of the wheat crop beginning with June has been interpreted to indicate a probable out-turn of about 728 million bushels, and available data as to the utilization and supplies of old wheat indicate a probable carry-over of about 280 million bushels. If the domestic utilization of wheat in the new marketing season is about the same as in the present season, the supply available for export and carry-over would be about 325 million bushels.

World wheat supplies for the year beginning July 1, 1940 may be 100 to 200 million bushels smaller than a year earlier, when they totaled 5,459 million bushels, the largest supply on record. As a result of the large world crop in 1939, the world carry-over on July 1, 1940 is expected to be about 250 million bushels larger than the estimated 1,189-million bushel carry-over on July 1, 1939, but the 1940 world crop may be reduced by between 350 and 450 million bushels from the estimated 1939 crop of 4,270 million bushels. 1/ Although information on which to base a June indication of world supplies is scantier than usual this year, the information available points to a reduction in world wheat acreage for the 1940 crop and smaller yields per acre in important European-producing areas. Production in the Northern Hemisphere may drop 400 to 500 million bushels below the estimated 3,866 million bushels harvested last year. Most of this reduction is in Europe.

1/ All references to world acreage, production and stocks in this report exclude Soviet Russia and China, except where noted.

Production in the Southern Hemisphere, however, may possibly total about 50 million bushels more than the estimated 404-million bushel production a year earlier.

On the basis of the poor wheat crop indicated in Europe this year, were it not for present European military and political conditions world trade in wheat probably would be well above any recent year. The blockade and governmental policies, however, may restrict world movement so that imports may show only a moderate increase. Exportable surpluses in surplus-producing countries in 1940-41 are expected to total about a billion bushels.

Domestic wheat prices continue above prices at which wheat could be exported without a subsidy. Prices of hard winter wheat at Gulf ports are about 24 cents above export parity, and those at Pacific ports about 29 cents above. Wheat prices are also generally above the levels of a year ago and above the levels of last August, before the war broke out in Europe.

THE WORLD WHEAT SITUATION 2/

BACKGROUND.- Total world supplies of wheat increased sharply from 1924 to 1933, as a result of both increased acreage and yields. From 1934 to 1936, world supplies declined, following successive years of small yields and increased world demand. Supplies increased slightly in 1937. With above average yields on the large acreage, supplies in 1938 and 1939 were the largest on record.

World wheat prices declined in the period 1924-33 with the increase in world supplies. The sharp decline in prices after 1929 was caused largely by the general decline in industrial activity and commodity prices. From the spring of 1933 to the summer of 1937, world wheat prices moved upward, reflecting world-wide recovery in commodity price levels, currency depreciation, and reduced production. The world price for the 1937 crop remained practically unchanged from that of a year earlier. In 1938, world prices again declined sharply as a result of record world production and weakness

2/ All references to world acreage, production, and stocks in this report exclude Soviet Russia and China except where noted.

of demand. In November and December 1939, prices advanced, influenced by the European war and by poor crop prospects in Argentina and the United States. In the middle of May 1940, selling became heavy following the turn of events in Europe and much of the November-December gain was lost.

World crop may be 350-450 million bushels smaller

World wheat production this year may total between 350 and 450 million bushels less than the large crop of 4,270 million bushels harvested last year. It appears that production in the Northern Hemisphere may total between 400 and 500 million bushels less than the estimated 3,866 million bushels a year ago. Most of this reduction is indicated for Europe. Production in the Southern Hemisphere may possibly total about 50 million bushels more than the harvest last year. (In figuring production for the Southern Hemisphere, where the crop is now only entering the winter, moisture and temperature to date were taken into consideration, and average conditions for the remainder of the season assumed.)

While production by countries at this time of the year is uncertain and unusual developments would be expected to modify the early indications, errors in the early estimates by countries in the past have been largely compensating, and the total estimate has been fairly indicative of production as a whole. Information this year is especially limited because of the unsettled world political situation, and this makes for greater uncertainty than usual in the estimate by countries.

The condition of the wheat crop in Canada on May 31 was 96 percent of the long-time average yield per acre, compared with 94 percent at that time in 1939. On the basis of intentions to plant spring wheat, the acreage this year is 6 percent above that of last year. Autumn rainfall was deficient in Saskatchewan and eastern Alberta, but spring rains have replenished the subsoil moisture in Alberta and in southern Saskatchewan. The best wheat prospects are indicated in the southern part of the Prairie Provinces; the condition throughout these provinces is reported as very favorable. Grasshoppers, which earlier threatened serious damage, have been kept in check in most sections.

The 1940 crop in Mexico, forecast at 12,900,000 bushels, is about 13 percent below the 1939 crop. The reduced yield on the large sown area is the result of stem rust.

Present crop prospects in Europe indicate a below average crop. At the present time the crop is forecast at a lower figure than for any harvest since 1930. Favorable weather in France has stimulated crop growth recently, and it is now thought that previous arrears of growth may be overtaken. On the other hand, considerable damage to the crop has undoubtedly accompanied the invasion. The wheat crop is considered to be greatly reduced in Belgium as the result of winter-kill and the invasion. Favorable weather in Italy has stimulated plant growth, and it is now claimed that the crop will be sufficient for the country's requirements. In Spain, conditions are still irregular but there has been some crop improvement recently, and the condition over much of

the country is now reported to be favorable. In the United Kingdom the acreage is estimated to be somewhat above average. Weather conditions improved recently, and if favorable circumstances prevail until harvest an above average crop may be expected. Prospects in Germany and the protectorate of Bohemia-Moravia are below average. Throughout the Balkans, harvest prospects are generally reported considerably below last year. The crop is unofficially forecast at about 90 million bushels, compared with the 1939 production of about 165 million bushels.

In Soviet Russia official reports indicate that, while some areas are too dry, the crop, especially of winter wheat, is generally in good condition. Trade reports, on the other hand, appear somewhat less optimistic.

Conditions in northern Africa are considered favorable, and a good crop is expected throughout this area.

The crop in India is officially placed at 398 million bushels, compared with the corresponding 1939 estimate of 367 million bushels. This is one of the largest crops on record for India.

Wheat production in both China and Japan is expected to be below average. This is largely the result of the widespread spring drought in important wheat-producing areas. The 1940 production in Japan is now estimated to be much below the original expectation, with a crop of only 47 million bushels forecast, as compared with the record harvest of 61 million bushels last year. This forecast, together with the preliminary acreage estimate, indicates the lowest yield per acre in 15 years. This low yield can be attributed to dry weather and shortages of labor and fertilizer.

The 1940 wheat acreage in Argentina is expected to exceed the acreage sown in 1939. The early sown grain has a good start and growing conditions are favorable.

In Australia a reduction in acreage of about 3 percent is expected. The weather continues dry and, while rainfall is needed badly in most sections, the situation is not yet considered serious.

World carry-over July 1, 1940 may be about 250 million bushels larger

World wheat disappearance in 1939-40 is still expected to be only a little less than the record of 4,052 million bushels estimated for 1938-39. A tentative figure of 4,025 million bushels was carried in the April issue of The Wheat Situation and there is no reason to change it at this time. With information from European countries on imports, stocks, and mill output almost entirely discontinued, the figure of total disappearance must still be regarded as only an approximation.

In the United States, domestic disappearance is about 40 million bushels less, largely because of reduced feeding. In Canada, Argentina, and Australia not much change from the previous year is indicated. In the Danube

countries, French North Africa, the Near East, and British India, the disappearance has probably been larger than in 1938-39 because the quantity used usually varies with the quantity available, and supplies for the year were somewhat larger than in 1938-39.

On the basis of a disappearance of 4,025 million bushels, and a total supply of 5,459 million bushels, a carry-over of about 1,430 million bushels is indicated, which is roughly 250 million bushels larger than a year ago.

Table 1.- Estimated world supply 1/ and distribution, year beginning July 1, 1938-39

Item	Year beginning July 1: 1938 estimates	Year beginning July 1: 1939 indications	Increase or decrease
	Mil. bu.	Mil. bu.	Mil. bu.
Carry-over July 1 2/	599	1,189	+ 590
Production	4,605	4,270	- 335
Total supply	5,204	5,459	+ 255
Net exports from Soviet Russia	37	3/ - 2	- 39
Total of above	5,241	5,457	+ 216
Disappearance	4,052	4,025	- 27
Carry-over June 30	1,189	1,432	+ 243

1/ Excluding stocks and production in Soviet Russia and China.
2/ Differs from figures in table 12 of The Wheat Situation for February 26, 1940, by excluding some new crop wheat for the United States, figures for which were available only beginning in 1937.
3/ Net imports.

World exports in 1939-40 expected to be about 40 million bushels less than year earlier

Gross exports, supplemented by shipments as reported by Broomhall, and by estimates for a part of June, indicate a reduction of about 40 million bushels compared with 1938-39.

The Canadian wheat supply remaining for export or carry-over in Canada and the United States on June 1, 1940 is estimated at 298 million bushels, compared with 130 million bushels a year earlier (table 2). The supply for export or carry-over in Argentina on June 1 is estimated at only 12 million bushels, compared with 178 million bushels a year earlier, following the very large crop of the previous year. The corresponding figure for Australia on June 1 is placed at 145 million bushels, compared with 58 million bushels on June 1, 1939. The current estimate for Australia is based on official exports through February, supplemented by unofficial estimates.

Table 2.- Estimated wheat surplus for export or carry-over in three exporting countries, United Kingdom port stocks, and stocks afloat, June 1, 1937-40 1/

Position	1937	1938	1939	1940
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Canada				
In Canada	59	42	128	278
In the United States	7	1	2	20
Argentina	26	43	178	12
Australia	48	60	58	2/ 145
Total	140	146	366	455
United Kingdom port stocks	11	9	20	3/
Stocks afloat to:				
United Kingdom	13	15	16	3/
Continent	20	14	17	3/
Orders	8	11	12	3/
Total	52	49	65	
Grand total	192	195	431	

1/ Carry-over at the beginning of the year (Canada, July 31; Argentina, January 1; Australia, December 1 of the previous year) plus production minus domestic utilization for the year, minus monthly exports to date.
2/ Based on official exports through February, and unofficial estimates for succeeding months.
3/ Not available.

With very small supplies, Argentina is practically out of the European market until after the next harvest in January. The last Argentine crop was small, and exports for the first half of the year have been maintained at high levels. Australia is so far from Europe that high shipping costs and war-time transportation risks have greatly reduced the prospects for exports to Europe, even though supplies are large. The British Government has purchased sizable quantities of Australian wheat but little has moved during the current year. With supplies limited in Argentina and takings of Australian wheat small, the export situation remains favorable for Canada to reduce its very large holdings provided exports to Europe continue active.

World trade in wheat in 1940-41 expected to be larger

On the basis of the indicated poor wheat crop in Europe, were it not for European military and political conditions, world trade in wheat probably would be well above any recent year. The blockade and governmental policies, however, may restrict world movement so that imports would show only a moderate increase. Imports from Canada and Australia may be restricted by governmental policy. Argentina is practically out of the market until the new crop in January, and the United States has only a moderate surplus available for export if reserves are to be held.

As during the current year, Canada and Argentina are expected to play important roles in world trade in 1940-41, and supplies in these two countries are expected to be large enough to supply all demands. Canadian stocks on July 1, 1940 are expected to total about 275 million bushels and the new crop, based on present favorable conditions, might easily total 450 million bushels. This total supply of 725 million bushels would be 550 million bushels in excess of annual domestic requirements of about 125 million bushels and an allowance for carry-over of about 50 million bushels. On the basis of conditions to date and average conditions for the rest of the season, the new crop in Argentina has a chance of totaling about 230 million bushels, which would indicate exportable supplies of 130 million bushels, after deducting about 100 million bushels for domestic requirements. On the basis of these indications, exportable supplies in these two countries would be more than sufficient to take care of probable world trade. Exportable supplies in the Danubian countries, French North Africa, Australia, the United States and the Soviet Union are expected to be large enough to bring the total quantity available for export to about a billion bushels.

Prices at Winnipeg and Buenos Aires about at established minimum levels

For the week ended June 22 July futures at Winnipeg at 65.0 cents were 1 1/2 cents lower than the average for the week ended May 25. The July future at Buenos Aires at 69.5 cents was about 2 cents higher than for the week ended May 25. Current prices at both of these markets are at or close to the established minimum prices. The minimum prices at Winnipeg were established on May 18 and at Buenos Aires on May 31.

Table 3.- Average closing price of July wheat futures, specified markets and dates, 1939 and 1940

Period	Winnipeg 1/		Liverpool 1/		Buenos Aires		Chicago		Kansas City		Minneapolis	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
Month												
Feb.	62.9	80.0	64.2	---	---	---	68.4	98.7	64.1	93.9	71.1	98.3
Mar.	61.4	82.0	61.9	---	---	---	68.2	101.6	63.6	96.7	70.4	99.7
Apr.	61.7	83.1	61.1	---	---	---	68.5	106.9	64.1	102.1	71.4	103.4
May	65.6	73.9	62.2	---	---	---	74.8	93.4	70.6	89.0	78.4	91.9
Week ended												
May 4	65.4	82.5	63.0	---	2/60.0	2/79.6	73.2	105.7	68.9	101.0	75.6	103.3
11	66.3	82.4	62.6	---	2/59.8	2/76.4	73.9	105.8	69.6	101.1	77.2	103.7
18	65.0	69.0	62.0	---	2/59.7	67.1	74.1	90.1	69.8	85.7	78.5	88.8
25	65.4	66.5	61.3	---	60.1	67.5	77.0	83.4	72.9	79.3	81.2	82.6
June 1	65.0	68.0	60.6	---	59.7	69.3	77.9	82.9	73.7	78.5	81.7	81.6
8	61.9	67.9	58.0	---	59.5	70.6	75.4	80.6	71.1	76.2	78.8	79.8
15	60.8	66.7	56.5	---	59.5	69.1	72.9	80.7	68.4	76.4	76.6	79.4
22	59.0	65.0	54.9	---	59.5	69.5	70.0	78.3	65.4	73.3	73.8	76.1
High 3/	66.3	83.8	63.0	---	4/60.1	4/79.6	77.9	109.3	73.7	104.8	81.7	105.5
Low 3/	59.0	65.0	54.9	---	4/59.5	4/69.1	67.5	78.3	63.1	73.3	70.1	76.1

1/ Conversions at noon buying rate of exchange 1939; 1940 figures at official rate which is 90.909 cents. Any United States buyer of Canadian grain would be required to make settlement in terms of United States dollars through an agent of the Canadian Foreign Exchange Control Board at the official rate.
2/ June futures. 3/ April 6 to June 22, 1940, and corresponding dates for 1939.
4/ June and July futures.

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- Domestic wheat prices from the spring of 1933 to the spring of 1937 were unusually high in relation to world prices, as the result of small crops in the United States. During this same period, prices in other countries also moved upward, reflecting a world-wide recovery in commodity price levels, currency depreciation, and reduced production. The average prices received by United States producers for the 1931 and 1932 crops were 39 and 38 cents, respectively, compared with average prices for the four crops, 1933 to 1936, of 74, 85, 83, and 103 cents per bushel, respectively.

In 1937 United States production was large and prices to growers declined to an average of 96.0 cents. In 1938, with domestic production again large, with a record world crop and with lower commodity prices, prices received by producers declined to an average of 55.4 3/ cents and would have averaged still lower had it not been for the loan and export-subsidy programs which held domestic prices above export parity.

Prices received by growers for wheat during the year beginning July 1939 are expected to average 70.2 3/ cents. This also is relatively high compared with the usual relationship to prices in other countries, as a result of the operation of the agricultural programs, poor prospects for the 1940 crop, and the holding of wheat in expectation of higher prices.

Exports from the United States have declined with those from other surplus wheat-producing countries from about 1926 to 1933. During the period 1934-36, small crops in the United States were followed by net imports. The 1937 wheat crop was greatly in excess of domestic needs, and 100 million bushels of wheat and flour in terms of wheat were exported under conditions of reduced competition resulting from small crops in Canada and Argentina. In 1938 another large crop was produced, but exporting conditions were the most difficult since 1931 because of large crops in other countries, and exports of 107 million bushels were made possible only by an export-subsidy program. With a 1939 crop only moderately large and prospects of a poor crop in 1940, exports in 1939-40 were greatly reduced; it is expected they will total about 50 million bushels.

Wheat supply in the United States expected to be about same as a year ago

The domestic wheat supply for the 1940-41 season now seems likely to be about one billion bushels, about the same as for the marketing season ending June 30. The condition of the wheat crop beginning with June has been interpreted to indicate a probable out-turn of about 728 million bushels, and available data as to the utilization and supplies of old wheat indicate a probable carry-over of about 280 million bushels. If the domestic

3/ Includes loan wheat at average loan values.

utilization of wheat in the new marketing season approximates 675 million bushels, the supply available for export and carry-over would be about 330 million bushels or about the same as last year.

The estimated supply and distribution, by classes, for 1939-40 are shown in table 4, section A, projected figures for 1940-41 in section B, and carry-over stocks for comparison in section C. Compared with the figures used a month ago the 1939-40 exports and shipments have been decreased by 2 million bushels, the 1939-40 disappearance increased 10 million bushels, the July 1940 carry-over decreased 8 million bushels, the indicated 1940 production increased 53 million bushels, and the disappearance in 1940-41 increased by 10 million bushels.

Table 4.- Wheat supply and distribution, by classes, in continental United States, estimated for 1939-40 and projected for 1940-41

Item	Hard red winter	Soft red winter	Hard red spring	Durum	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
A. Year beginning July 1, 1939						
Carry-over July 1, 1939 (old wheat)	114	30	73	18	19	1/ 254
Production in 1939	307	203	130	35	80	755
Total supply	421	233	203	53	99	1,009
Exports and shipments	23	2	5	--	19	49
Domestic disappearance	246	208	130	32	64	680
B. Year beginning July 1, 1940						
Carry-over July 1, 1940 (old wheat)	152	23	68	21	16	280
Production in 1940	240	192	160	41	95	728
Total supply	392	215	228	62	111	1,008
Domestic disappearance	248	195	130	32	70	675
Available for shipments, exports, and carry-over July 1, 1941	144	20	98	30	41	333
Shipments	1	--	--	--	2	3
Available for exports and carry-over July 1, 1941	143	20	98	30	39	330
C. July stocks, comparisons						
Average, 1929-33 3/	161	32	79	24	21	317
Average, 1934-38 3/	69	29	37	6	19	160
Smallest total in recent years (1937)	37	15	18	3	10	83
Largest total (1933) 3/	201	31	98	16	32	378

1/ Includes crop insurance reserve of 6 million bushels.
2/ Includes crop insurance reserve of about 12 million bushels.
3/ Contains some new wheat prior to 1937, perhaps 15-20 million bushels on the average.

Production of winter wheat in 1940 was indicated on June 1 at 488,858,000 bushels. This shows an increase in prospective production during the past month of 29 million bushels. Even with this improvement in prospects, this production would be 13 percent less than the 563,431,000 bushels produced last year, and 14 percent lower than the 10-year (1929-38) average production of 571,067,000 bushels.

A probable yield of 14.3 bushels per harvested acre was indicated on June 1. This is .6 of a bushel under the 1939 harvested yield of 14.9 bushels per acre, but the same as the average yield in 1929-38. The indicated yields were above average in the States east of the Missouri River and in the Northern Pacific Coast and Mountain States, whereas they were below average in the Great Plains States and in the Southwest.

Growing conditions during May were very favorable in the North Central and Eastern winter wheat States, and in that area production prospects showed substantial improvement over a month earlier. Yield prospects were higher than on May 1 in most of the Great Plains States as a result of the recovery made possible by continuation during May of more nearly normal rainfall, but even in the best parts of that area the June 1 indicated yields were below average. In Montana and South Dakota, moisture was short during May; and rust and cutworm damage were reported in California, Arizona, and New Mexico. Black stem rust was present in Texas, Oklahoma, and Kansas, but harvesting is now actively under way in most of this region. In the Pacific Northwest, conditions on June 1 were about the same as a month earlier, and expected yields in these States are a little better than average.

Production of spring wheat in 1940, on the basis of prospective seeded acreage as reported in March and the June 1 condition, is indicated at about 239 million bushels, compared with 192 million bushels in 1939, 244 million bushels in 1938, and the 10-year (1929-38) average of 184 million bushels.

The June 1 condition of 88 percent for all spring wheat was 17 points above the June 1 condition a year ago, and 12 points higher than the 10-year (1929-38) average. The benefits of this spring's improved moisture situation was apparent in all States of any importance in spring wheat production. Since June 1 the good-to-excellent outlook has been largely maintained in Minnesota, North Dakota, and Montana. For the first 21 days of June, however, rainfall had been considerably below normal in North Dakota and northern Minnesota.

Domestic wheat prices lower with better crop prospects

Domestic wheat prices have tended gradually lower since May 20, when minimum futures prices and new crop loan values were established. Anticipating the discontinuance of the minimum limits announced for June 14, prices dropped to the minimum levels on June 13, and since then they have generally fluctuated within narrow limits. The decline during the past month reflects increased crop prospects, the official June report for winter wheat being raised 29 million bushels compared with May, and spring wheat production (estimated at 239 million bushels) above May expectations. Wheat prices generally are still above the levels which existed a year ago and above the levels of last August before the war broke out in Europe.

For the week ended June 22, No. 2 Hard Winter at Kansas City at 76.4 cents was about 7 cents lower than for the week ended May 25 (table 5) and about .6 cents below the loan value. For the same week No. 1 Dark Northern Spring at Minneapolis, at 81.3 cents, was 6.4 cents lower than for the week ended May 25, and about 5.7 cents below the loan.

At this time of the year wheat prices usually decline seasonally until the heavy new crop movement is over. During the past 2 years when loans have been available, growers have increased the quantity of wheat they placed under loan as prices fell below loan values. This served to check the downward tendency, and later to strengthen prices. In early September 1938, prices declined to a level of about 9 cents below loan rates, and in late July 1939 they averaged about 15 cents below loan levels. Following these low levels, prices advanced in both years.

While wheat prices in the United States have declined somewhat more than in Winnipeg and Buenos Aires, domestic prices continue high in comparison with wheat prices in these markets. Prices of hard winter wheat at Gulf ports are about 24 cents above export parity and those at Pacific ports about 29 cents above. The average margin for the past 12 weeks has been 25 cents for the Gulf and 28 cents for the Pacific Coast. Prices of domestic spring wheat at Buffalo are about 16 cents lower than approximately the same quality of Canadian wheat, c.i.f., duty paid, at Buffalo. Four weeks ago this margin was about 14 cents.

Table 5.- Weighted average cash price of wheat, specified markets and dates, 1939 and 1940

Month or date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month-												
Jan.	72.6	101.8	70.9	101.2	79.7	104.8	72.7	100.2	73.4	105.3	67.6	85.1
Feb.	70.6	101.0	69.2	99.4	78.0	104.3	72.3	99.7	73.1	105.6	67.5	84.9
Mar.	71.0	101.3	68.7	102.1	77.0	104.0	73.7	96.7	73.2	106.3	67.5	83.0
Apr.	72.4	105.6	69.6	105.7	77.8	108.2	74.3	99.1	76.4	111.2	69.7	84.2
May	80.2	96.8	75.7	94.7	85.6	100.7	79.1	88.6	82.7	104.3	71.8	78.5
Week ended												
May 4	77.5	105.4	74.5	105.3	82.4	109.3	77.6	96.8	82.3	110.0	72.7	85.1
11	78.7	104.5	74.7	104.6	83.4	108.5	77.5	97.1	83.1	111.2	70.9	85.9
18	80.1	94.4	76.0	88.6	86.3	99.3	78.3	85.7	80.9	102.4	70.8	77.2
25	83.1	84.0	78.1	83.4	88.6	87.7	80.7	79.9	85.4	90.0	72.4	73.2
June 1	83.9	82.3	79.0	82.3	89.0	85.8	82.0	76.5	84.6	88.2	73.0	72.5
8	79.8	80.7	75.5	80.1	85.1	84.5	80.2	74.1	81.2	88.4	72.1	---
15	76.8	79.6	72.4	79.5	83.7	83.8	75.8	74.5	77.0	88.5	72.8	---
22	71.8	---	69.2	76.4	82.2	81.3	72.7	72.0	75.1	---	71.5	---
High 2/	83.9	107.5	79.0	108.3	89.0	110.3	82.0	100.9	85.4	112.7	73.0	85.9
Low 2/	71.3	79.6	68.7	76.4	76.6	81.3	72.7	72.0	74.9	88.2	67.9	72.5

1/ Weekly average of daily cash quotations, basis No. 1 sacked.
2/ April 6 - June 22, 1940, and corresponding dates, 1939.

Table 6.- Movement of wheat, including flour, from principal exporting countries, 1936-37 to 1939-40

Country	Exports as given by official sources: Total 1936-37	Total 1937-38	Total 1938-39	July 1 to date shown 1937-38	July 1 to date shown 1938-39	July 1 to date shown 1939-40	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States 1/ ...	21,584	107,194	115,784	84,938	94,498	50,200	Apr. 30
Canada	213,028	94,546	159,885	85,922	143,443	194,350	May 31
Argentina	162,977	69,670	116,116	56,878	74,426	142,411	Apr. 30
Australia	97,712	123,453	96,685	60,875	58,949	41,684	Feb. 29
Soviet Union	4,479	43,354	2/38,000	---	---	---	
Hungary	27,428	9,368	27,650	6,994	18,442	30,219	Feb. 29
Yugoslavia	17,954	5,012	5,346	4,536	4,079	6,660	Dec. 31
Rumania	36,258	32,210	43,940	26,056	28,805	24,672	Feb. 29
Bulgaria	7,275	8,489	2,633	5,632	179	4,749	Jan. 31
British India	16,571	19,677	10,097	12,762	8,900	3/ 2,368	Jan. 31
Total	605,266	512,973	616,136				

	Shipments as given by trade sources: Total 1937-38	Total 1938-39	Week ended, 1940 June 1	June 8	June 15	July 1 - June 15 1938-39	July 1 - June 15 1939-40
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 4/ ...	184,720	245,296	5,720	4,898	2,961	236,968	205,035
Canada 5/	94,546	159,885	5,600	4,500	2,300	151,700	197,900
United States 6/ ...	83,589	94,157	113	406	644	91,379	41,109
Argentina	66,928	114,272	3,094	3,267	2,972	105,208	164,660
Australia	127,520	102,116	---	---	---	7/58,949	7/41,684
Soviet Union	42,248	39,824	0	0	0	39,824	2,342
Danube and Bulgaria 8/	37,232	52,848	592	1,016	992	49,368	39,144
British India	9/19,677	9/10,097	0	0	0	6,208	0
Total above 10/	478,325	564,453				496,525	452,865
Total European shipments 4/	397,592	450,784					
Total ex-European shipments 4/	99,400	146,760					

1/ Includes flour milled in bond from foreign wheat.
2/ From official sources, through December, supplemented by unofficial estimates for the following 6 months.
3/ Excludes land trade for January.
4/ From Broomhall's Corn Trade News.
5/ Official customs exports as reported to date, supplemented in the current year by estimates derived by subtracting the weekly United States exports, from Broomhall's estimate for North America.
6/ Official reports received from 16 principal ports only.
7/ Official exports through February 29 only. Not available subsequently.
8/ Black Sea shipments only.
9/ Official.
10/ Total of trade figures includes North America as reported by Broomhall's but does not include items 2 and 3.

Table 7.- Exports of wheat and wheat flour from the United States, 1938-39 and 1939-40

(Includes flour milled in bond from foreign wheat)

Period	Wheat		Wheat flour		Wheat including flour	
	1938-39	1939-40	1938-39	1939-40	1938-39	1939-40
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July-April	69,987	22,777	5,215	5,835	94,498	50,200
Week ended 1/						
May 4	2,307	508	169	70	3,103	837
11	1,910	121	152	41	2,624	314
18	1,414	0	41	19	1,607	89
25	2,256	5	184	65	3,121	311
June 1	1,636	0	241	24	2,769	113
8	1,231	96	67	66	1,546	406
15	554	2/ 75	167	2/ 121	1,339	2/ 644

Compiled from reports of the Department of Commerce. This report will be discontinued by the Department of Commerce, making it necessary to discontinue this table in following issues.

1/ Data for total exports from the United States by weeks are not available. These data represent exports through 16 of the principal ports. 2/ Preliminary

Table 8.- Shipments of wheat, including flour, from principal exporting countries, specified dates, 1938-39 and 1939-40

Period	Argentina		Australia		Danube		North America	
	1938-39	1939-40	1938-39	1939-40	1938-39	1939-40	1938-39	1939-40
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July-April	73,248	138,176	82,312	1/41,684	41,096	33,280	196,296	171,936
Week ended								
May 4	3,800	4,284	1,828	2/	680	880	4,240	4,928
11	3,500	2,752	1,656	2/	848	992	5,944	3,544
18	3,872	6,296	2,228	2/	1,808	976	6,600	4,672
25	4,616	3,758	3,500	2/	1,072	416	7,896	6,378
June 1	3,700	3,094	2,684	2/	832	592	5,872	5,720
8	4,868	3,267	3,204	2/	1,136	1,016	4,888	4,898
15	7,804	2,972	1,340	2/	1,896	992	5,232	2,961
22	5,364	3,086	1,528	2/	1,320	456	4,440	---

Compiled from Broomhall's Corn Trade News.

1/ Official exports, July-February, compared with 58,949,000 bushels in the same period of 1938-39. 2/ Not available.

THE RYE SITUATION

A rye crop of 38.6 million bushels was indicated on the basis of June 1 condition. The 1939 production was 39.2 million bushels and the 1929-38 average, 38.1 million bushels. As a result of favorable moisture conditions a rather sharp increase in yield prospects in North Dakota and Minnesota was shown on June 1, compared with a month earlier. Slightly increased prospects occurred in Wisconsin and Nebraska, while a decline took place in South Dakota, the only one of the 5 principal producing States which showed smaller prospects than on May 1. Condition of rye on June 1 in all of these 5 important producing States, except Nebraska, indicated yields sharply higher than harvested in 1939. In relation to the 10-year average, prospects in North Dakota were very favorable, and in the other principal States (except Nebraska) moderately favorable.

The United States stocks of rye at the beginning of the 1940-41 marketing year are estimated at about 21 million bushels. A year ago the carry-over was 23 million bushels. With a crop of about 39 million bushels, as indicated on June 1, the total supply of rye for the 1940-41 season will amount to around 60 million bushels, as compared with 62 million bushels a year earlier, and 61 million bushels, the 1935-39 average. The apparent disappearance of rye in 1939-40 was about 41 million bushels, which was about the same as a year earlier and about 2 million bushels less than the 1935-39 average. During 1935-39, of the average total disappearance of 43 million bushels, it is estimated that 9 million bushels were used for food, 9 million bushels for distilled spirits, 10 million bushels for seed and 15 million bushels for feed.

Table 9.- Rye: Supply and distribution, United States, 1935-39

Year beginning July	Supply						Distribution		
	Stocks			Production	Imports	Total supply	Exports	Stocks	Apparent disappearance
	Commercial July 1	Farm June 1	Total						
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
1935	8,560	2,723	11,283	58,597	2,266	72,146	9	22,299	49,838
1936	6,379	15,920	22,299	25,319	3,943	51,561	248	5,886	45,427
1937	1,406	4,480	5,886	49,830	1/	55,716	6,578	9,699	39,439
1938	1,000	8,699	9,699	55,564	1/	65,263	784	23,196	41,283
1939	7,384	15,812	23,196	39,249	1/	62,445	2/622	20,948	40,875
1940	3/9,680	11,268	20,948	38,640	1/	59,588			

1/ Less than 500 bushels.
2/ Exports July 1, 1939-April 30, 1940.
3/ Commercial stocks as of June 21, 1940.

WHERE TO FIND STATISTICS ON THE WHEAT SITUATION NOT INCLUDED IN THIS ISSUE: 1/

THE WORLD WHEAT SITUATION	Page	Issue
Supply and distribution		
1922-38	18	Feb. 1940 WS-40
Averages 1924-28, 1928-37, annual 1914, 1937	6	Sept. 1939 WS-35
Acreage and production		
Production in specified countries, 1936-38	5	Jan. 1940 WS-39
Production in specified countries, 1939 (text)	13	Mar. 1940 WS-41
Winter wheat acreage sown in specific countries	5	May 1940 WS-43
Stocks, July 1		
1938-39	4	Oct. 1939 WS-36
1922-39	18	Feb. 1940 WS-40
Major exporting countries and afloat, 1922-39	8	Aug. 1939 WS-34
International trade		
International trade in wheat including flour, 1909-38	21	Feb. 1940 WS-40
International trade in wheat flour, 1909-38	25	Jan. 1940 WS-39
World shipments and to Europe and non-Europe, averages 1910-14, 1930-34, and annual	7	Sept. 1939 WS-35
THE DOMESTIC WHEAT SITUATION		
Supply and distribution		
All wheat, 1923-38	14	Feb. 1940 WS-40
All wheat, averages 1910-14, 1924-28, 1928-37, annual, 1913-16, 1937	11	Sept. 1939 WS-35
Classes, average 1929-33, annual 1937-38	15	Feb. 1940 WS-40
Production		
Classes, 1919-39	17	Jan. 1940 WS-39
Stocks		
July 1, 1923-39	14	Feb. 1940 WS-40
January 1, 1936-40	8	Feb. 1940 WS-40
Exports and imports		
Exports of wheat including flour to specified countries, 1909-38	21	Feb. 1940 WS-40
Exports of wheat to specified countries, semi-annually beginning July 1936	19	Feb. 1940 WS-40
Exports of wheat flour to specified countries, semi-annually, beginning July 1936	20	Feb. 1940 WS-40
Imports into the United States, 1923-38	27	Aug. 1939 WS-34
Price and income		
Sales, price per bushel, and cash income, 1910-39	13	Feb. 1940 WS-40
Average price received by farmers in the United States, 1908-39	17	Mar. 1940 WS-41

1/ Selected tables used most frequently.

STATISTICS ON THE RYE SITUATION IN "THE WHEAT SITUATION" FEBRUARY 26, 1940